

## **Additional Frequently Asked Questions**

### **from RFQ TA Workshop, Feb 24, 2010**

***1. Who evaluates our submitted proposals and gives points***

**A:** Both the City (Neighborhood Services and Community Development department) and the Consultants (APD) will review and score the submitted proposals.

***2. Is 25% set-aside for the entire program or on a project-by-project consideration?***

**A:** It is for the entire program

***3. How do we avoid overlapping into another program?***

**A:** The Neighborhood Services and Community Development Department coordinates neighborhood programs and services. This department will monitor any potential for overlapping programs or services.

***4. What about the sale of rentals, how much can we charge above cost??***

**A:** The price for selling homes to assisted households under NSP cannot exceed the cost to acquire and redevelop /rehabilitate the home. Thus developer fees are included within these parameters. Rental fees are somewhat different. If considering development of rental properties, budgets will be reviewed and reasonability of development cost will assessed.

***5. Is 20% a reasonable fee (for developers)?***

**A:** 20% is closer to the high side; 12-15% is more reasonable for this project.

***6. Should we submit a breakdown of cost or lump it all together?***

**A:** Breakdown of costs

***7. Are the rental properties going to be limited on the list?***

**A:** There will be a limit to new rental properties in the area. For specifications, please refer to the NSP Implementation Plan on the City website.

***8. Will people that are multi-skilled and do much of the work themselves be penalized?***

**A:** No. We welcome multi-skilled applicants; a scope of work and a proposed fee schedule should be submitted for each selected service.

***9. If the overall project cost is \$100K, is that the price it must be sold at?***

**A:** The price for selling homes to assisted households under NSP cannot exceed the cost to acquire and redevelop /rehabilitate the home. Thus developer fees are included within these parameters.

***10. What happens if total project cost \$100K, but can only sell for \$50K***

**A:** The Chattanooga NSP will have provision to fund some portion of the difference between the project cost and sales price. At this point we have not determined the level of funding that will be used in this situation. Please see q4 and q9 for allowable sales price explanation.

***11. Will value be determined by appraisers or banks?***

**A:** Value will be determined by an appraiser, sales price will be determined by project costs. The City's NSP will not finance 100% of any transactions.

***12. Who decides who is qualified to do the contract work?***

**A:** Individuals, organizations, and corporations performing contract work in connection with the Chattanooga NSP must first respond to the Request for Qualification (RFQ) by March 8, 2010. Responses to the RFQ will be reviewed and scored to determine contractors and other service providers who are qualified to participate in the program. The RFQ provide detailed information on minimum qualifications and how RFQ responses will be scored.

***13. What part does a realtor play in this?***

**A:** Any realtor can bring qualified homebuyers or properties to NSP without being on list of selected entities; realtors who have been selected to be on the list can market/sell individual program properties; and realtors can also work with selected developers to market/sell their properties as part of the developer's disposition plan.

***14. Is there a list of properties already on a list?***

**A:** No properties have been acquired as of yet.

***15. Will architect drawings have to be submitted for each project?***

**A:** Architect drawings can be submitted for any project, but the requirement to submit drawings will be considered on a case-by-case basis. The use of good quality construction materials will be required for all projects, modification of existing floor plans, adding additional rooms, building new homes on vacant lots, are a few examples of the type of work that would require the services of an architect.

***16. Does energy efficiency get considered in cost of project?***

**A:** An energy efficiency component is very good to have, and should be included in a response

**17. When I add my cost for example, 100K, but total with 12% is \$112K, will selling price have to be \$112K?**

**A:** See questions 4, 9 and 10. Developer fees can be included within the NSP project cost and sales price.

**18. Are there any particular banks that work with this project to lend money?**

**A:** A list of banks and lenders is being developed

**19. Do the applications have to provide a list of the types of materials that will be used in renovation?**

**A:** It is not required however, it would be a good idea to provide some form of construction specifications to illustrate the type of materials and that will be used on the project. The Neighborhood Services and Community Development Department reserves the right to require that construction specifications be submitted with construction cost estimates.

**20. If a realtor brought a list of qualifying properties to be purchased would there be a quick turnaround for payment?**

**A:** Once the City completes the Mandatory Referral process and performs the required due diligence for each property being considered for purchase it should be typically thirty days' until cash closing.

**21. Is interest on borrowed money allowed to be included in end cost?**

**A:** Yes, construction interest is an allowable project cost

**22. Does a foreclosed property have to be vacant? How long?**

**A:** All properties must be vacant for consideration in the NSP program. Properties with occupants, whether owners or renters, will do not meet the criteria for inclusion in the NSP Program. Foreclosed properties would have to be active foreclosures. Vacant and abandoned properties must be vacant and/or abandoned for at least ninety days.

**23. Please clarify deadline dates of Sep. 1<sup>st</sup> and Sept 30<sup>th</sup>.**

**A:** September 1, 2010 - NSP Funds obligation date. Program activities must be completed by September 30, 2013.

**24. Do sub-recipients have to bid out work or can they use volunteers?**

**A:** Subrecipients must use their own procurement process to subcontract work to paid contractors or volunteers.